

THE DIFFERENCE

Union Advantage by the Numbers

BUSINESS & LABOR

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Union workers get more benefits and earn higher wages than workers who don't have a voice on the job with a union.

Union workers participating in job-provided health insurance 79%

Nonunion workers participating in job-provided health insurance 52%

Union workers are 52 percent more likely than nonunion workers to have job-provided health care

Union workers without health insurance coverage 2.5%

Nonunion workers without health insurance coverage 15%

Nonunion workers are five times more likely to lack health insurance coverage

Union workers participating in guaranteed (defined-benefit) pension plans 77%

Nonunion workers participating in guaranteed (defined-benefit) pension plans 20%

Union workers are 285 percent (nearly three times) more likely than nonunion workers to have defined-benefit pensions

Union workers with paid personal leave 57%

Nonunion workers with paid personal leave 38%

Union workers are 50 percent more likely than nonunion workers to have paid personal leave

Union workers' average days of paid vacation 15 days

Nonunion workers' average days of paid vacation 11.75 days

Union paid vacation advantage 28%

Union workers' median weekly earnings \$886

Nonunion workers' median weekly earnings \$691

Union wage advantage 28%

Union women's median weekly earnings \$809

Nonunion women's median weekly earnings \$615

Union wage advantage for women 32%

African American union workers' median weekly earnings \$720

African American nonunion workers' median weekly earnings \$564

Union wage advantage for African Americans 28%

Latino union workers' median weekly earnings \$733

Latino nonunion workers' median weekly earnings \$512

Union wage advantage for Latinos 43%

Asian American union workers' median weekly earnings \$902

Asian American nonunion workers' median weekly earnings \$852

Union wage advantage for Asian Americans 6%

Sources: U.S. Department of Labor, Bureau of Labor Statistics, *Union Members in 2008*, Jan. 28, 2009; U.S. Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2008*, August 2008; Economic Policy Institute; Employee Benefits Research Institute, May 2005.



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MONTANA STATE AFL-CIO

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February 10, 2009

**Testimony of Jim McGarvey, Executive Secretary, MT State AFL-CIO
In Opposition to SB 339
Senate Business, Labor, and Economic Affairs Committee
Joe Balyeat, Chair**

Mr. Chairman, Members of the Committee; my name is Jim McGarvey. I am the Executive Secretary of the Montana State AFL-CIO. My testimony today is on behalf of more than 36,000 Montana union members and their families.

We oppose this deceptive bill. The Right to Work bill doesn't provide any employee in Montana with any new "rights". It offers no guarantees of a job. What it does is try to hobble workers trying to achieve a higher standard of living by weakening their labor unions. This bill also threatens to weaken Montana's overall economy by limiting the ability of working families to achieve a middle-class income or, in some cases, even rise above the poverty level.

Any effort to weaken the Montana labor movement is an effort to weaken Montana's economy. Labor unions have a lot of successes to boast.

Union workers make significantly more money on average than non-union workers. In addition, union women are far more likely to receive equal pay for the same work as men. John Schmitt, a Senior Economist at the Center for Economic and Policy Research released a study in December of 2008 saying "For women, joining a union makes as much sense as going to college...All else equal, joining a union raises a woman's wage (11.2 percent) as much as a full-year of college.." Because of the higher pay, union members are more likely to hold only one job, giving them more time to raise their families and have a greater quality of life.

While unions have the greatest ability to improve the wages of their own members through collective bargaining, we believe all workers deserve fair wages. Some of our efforts that raise the standard for all workers include creating the concept of prevailed wages and being the driving force behind maintaining the level of those wages. Prevailing wages benefit all workers in the affected industries.

Also, unions were instrumental in the passage of Raise Montana (I-151), a successful 2006 ballot initiative that increased the minimum wage rate for 25,000 Montana workers; most of them non-union. This effort was supported by more than 70% of the voting public and recognized by many as critical to our

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economy. The Montana labor movement believes that no working family deserves to live in poverty. This Right to Work bill aims to weaken the movement that dedicates itself to this cause.

Montana has epidemic levels of uninsured adults and children. Only 54% of Montana workers have health insurance through their employer and only 52% of Montana's children are covered by employer plans. Fifteen percent of Montana's children are completely uninsured.

U.S. Economist David Bloom, PhD., said, "...healthy, active workers are essential in a nation's economic strength." In his words, "Healthier means wealthier". Data from the U.S. Centers for Disease Control shows that in 2004 American businesses lost \$16.9 billion for lost worker productivity due to illness. Workers that have health insurance maintain better health than those that don't. Only 49 percent of non-union workers are participating in medical care benefit programs compared to 80 percent of union workers. Organizations working to achieve higher standards of healthcare for Montana citizens should be encouraged, not crippled by state laws.

A study by the Employee Benefit Research Institute published in 2007 says that 86 percent of union members have access to health benefits through their job, compared with 60 percent of nonunion workers. Union workers are much more likely to have healthcare coverage. . In the 2008 report of the Center for Economic and Policy Research, Senior Economist John Schmitt said "...[belonging to] a union raises the chances [that] a woman has health insurance by more than earning a four-year college degree."

In Montana, only 47 percent of non-union workers have retirement plans, compared with 80 percent of union workers. As elderly adults, these union members will be more financially secure than their non-union counterparts. The majority of non-union workers have defined contribution plans, which do not guarantee benefit amounts. Most union workers have defined benefit plans. The result is; not only do more union workers have retirement plans, but those plans are more secure and allow union workers to better finance and budget their retirements.

Union workers enjoy greater safety on the job than non-union workers. Most unions conduct safety and skill training. Montana trade unions run several year-round training facilities where members can learn the safest way to accomplish their work. Those sites provide comprehensive OSHA training and certifications. Many of the classes offered are free to union members. Non-union workers have few opportunities to learn work safety measures. Where opportunities do exist, they cost more than union safety programs. The improved workplace safety provided by training reduces lost work time, medical bills, worker disability, worksite deaths, etc. Greater job safety is good for business. It reduces Workers Compensation rates and increases productivity.

A study conducted in 1992 showed that Union workers are more productive. In some industries they are proven to be up to 38% more productive. A further study conducted by Kathryn Shaw that was published in the Stanford Business Magazine in November of 2004 found that five of the seven elements that exist in the most productive workplaces are elements found in the union contract. The remaining two elements were a matter of management design. When Montana business can produce more products, they produce more profit, benefiting the company and the economy.

Current Montana labor laws are working. Employees who choose not to be represented by a union in their workplace may refuse to join under the auspices of political or religious beliefs.

Under Agency Shop Agreements workers can opt to pay only representation fees which help cover the costs of representation (negotiating the collective bargaining agreement, handling grievances, etc.) but not the costs of other union activities the worker may not support. Current law protects those who want no representation, and it protects those who do want representation.

The National Labor Relations Act requires the union to represent all workers where a union contract is present. This right to work bill would bind the union to provide representation -- even in court proceedings -- to non-union workers employed where a collective bargaining agreement is in place. Clearly, if a union is required to represent those who do not financially support the organization, the union is weakened substantially.

Montana workers who choose union representation have a right to representation that is unencumbered by duties to workers who don't pay their fair share. This right to work legislation would force union members to pay for the representation of non-union workers at their worksites.

Unions provide the avenue for workers to meet their employer at the table and bargain collectively on issues of wages and working conditions. Collective bargaining agreements are a successful means for communication and a record of mutually agreed upon workplace expectations.

For over 40 years the National Right to Work Foundation of Virginia, a promoter of this bill, has been trying to weaken unions. The supporters of this organization are the same people who were against social security and workplace health insurance programs when they were enacted. They have opposed any progressive legislation that would improve the lives of working men and women. They are funded by Corporate America to pass legislation that will increase their profit margins. Right to work legislation in Montana has been voted down every time it has been presented. Montanans have long understood that our state is too good to fall to this deceitfulness and greed.

To say you are in favor of weakening unions is to say you are against a better economy where Montana families can achieve a middle-class income. It is to say you are against fair and just treatment on the job, the improvement of workplace safety, as well as the reduction of workplace injuries and deaths. To say you are in favor of weakening unions is to say that you are willing to weaken the rights of those Montana citizens who choose to be union.

We have laws that are working for all workers right now. I urge you to preserve the integrity of the unions that represent more than 36,000 members and their families. I urge you to vote in favor of a better economy and in favor of stronger families and a better quality of life in Montana. Please vote no on SB 339. Thank you.